Condominium Annual Update Report

2003 Assessment Roll

Mass Appraisal of

South King County

Neighborhoods: 240, 245, 250, 255, 260, 265, 270, 275, 280, 285, 290, 295, 300, 305, 310, 315, 320, and 325.

For 2004 Property Taxes

King County, Department of Assessments Seattle, Washington

Scott Noble, Assessor

Executive Summary Report

Characteristics Based Market Adjustment for 2002 Assessment Roll

Area Name / Number: South King County; Areas 240, 245, 250, 255, 260, 265, 270, 275, 280,

285, 290, 295, 300, 305, 310, 315, 320, and 325. **Previous Physical Inspection:** 1998 - 2002

Sales - Improved Summary: Number of Sales: 2898

Range of Sale Dates: 1/2001 - 1/2003

Sales – Improved Valuation Change Summary						
	Land	Imps	Total	Sale Price	Ratio	cov
2002 Value	\$13,000	\$119,100	\$132,100	\$139,200	94.9%	6.46%
2003 Value	\$13,100	\$126,100	\$139,200	\$139,200	100.0%	5.40%
Change	+\$100	+\$7,000	+\$7,100		+5.1%	-1.06%
%Change	+0.8%	+5.9%	+5.4%		+5.4%	-16.41%

^{*}COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of -1.06% and -16.41% actually represent an improvement.

Sales used in Analysis: The sales sample includes all condominium residential living unit sales verified as good. The sample excludes commercial units, parking units, and condos in use as apartments. A listing of sales included and sales excluded from the analysis can be found in the Assessor's files located in the Commercial/Business Division.

Population - Improved Parcel Summary Data:				
	Land	Imps	Total	
2002 Value	\$13,00	0 \$106,000	\$119,000	
2003 Value	+\$13,10	00 +\$113,000	+\$126,100	
Percent Change	+0.8%	+6.6%	+6.0%	

Number of improved Parcels in the Population: 13928

The population summary above includes all residential condominium living units, parking storage and moorage units. It excludes condominiums with commercial responsibility such as apartments and office buildings. A list of all parcels in the population can be found in the Assessor's files located in the Commercial/Business Division.

Summary of Findings: The analysis for this area consisted of a general review of applicable characteristics such as neighborhoods, living area, floor location, number of bedrooms and fireplaces. The analysis results showed that several characteristic-based and neighborhood-based variables needed to be included in the update formula in order to improve the uniformity of assessments throughout the area. Several projects were found to be exceptions to the model and required a slight adjustment to improve uniformity.

The Annual Update Values described in this report improve assessment levels, uniformity and equity. The recommendation is to post those values for the 2003 assessment roll.

Part One – Premises of the Mass Appraisal

Assumptions & Limiting Conditions

Sales data is derived from real estate excise tax affidavits and is initially reviewed by the Sales Identification Section of the Accounting Division. The analyst made further verification of sales in office. Time constraints prohibit further verification of sales information.

Data Utilized

Available sales that had closed from 1/1/2001 through 1/1/2003 were considered in this analysis. The sales and population data were extracted from the King County Assessor's Condominium database.

Sales Screening for Improved Parcel Analysis

Sales removal occurred for parcels meeting the following criteria:

- 1. Assigned or owned parking
- 2. Assigned or owned storage units
- 3. Assigned or owned moorage
- 4. Multi-parcel or multi-unit sales
- 5. Sales of commercial use or apartment use units
- 6. Others as identified as non-market sales.

Scope of the Appraisal

The income and cost approaches are not applicable to residential condominium valuation. Most condominium units are owner-occupied and not income producing properties. Cost is not an accepted approach because there is no accurate way to allocate building costs among the individual units. Therefore, we rely solely upon the sales comparison approach to develop a valuation model. Our sales sample consists of 2898 residential living units that sold during the 24-month period between January 1, 2001 and January 1, 2003. The model was applied to all units. Direct sales comparison was used to value exception parcels, which are typically parcels with characteristics that are not adequately represented in the sales sample on variables Such as size, condition, view or quality. Those parcels were adjusted to the model based on observations and general appraisal techniques.

The Condo Crew does not value condominium land or commercial condominiums, which are the responsibility of geographic and specialty appraisers.

Part Two Presentation of Data

Identification of the area

Name or Designation

South King County

Boundaries

The South King County area is an irregular shape and is roughly defined by the following.

North Boundary - SW 116th Street

East Boundary – 300th Avenue SE

West Boundary - Puget Sound

South Boundary – The King Pierce County Line.

Maps

Maps of the Specialty Neighborhoods included in the South King County area are in the addenda of this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area, city, neighborhood, and location data

The South King County area includes specialty neighborhoods 240: Des Moines, 245: Burien, 250: Boulevard Park, 255: Sea Tac, 260: Midway, 265: Valley, 270: Federal Way, 275: Federal Way East, 280: Federal Way West, 285: Auburn, 290: Lea Hill, 295: Algona, 300: Enumclaw, 305: Kent, 310: East Hill, 315: Renton, 320: Benson and 325: Tukwila.

Zoning and legal/political consideration

Zoning restrictions, whether county or local, are displayed on Assessor's maps and are shown as a land characteristic in the Assessor's property characteristic database. Local jurisdictions exercise authority over local land use and community planning. Regulations regarding zoning are found in their local ordinances.

Land use data

The Commercial Appraisal Section records Assessor's land use codes, which identify the present land use. This data resides in the Assessor's database and is available upon request.

Part Three -- Analysis of Data and Conclusions

Highest and best use analysis and location of conclusions

Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. We find that the current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved.

Sales comparison approach model description

The chosen adjustment model was developed using multiple regression. The 2002 assessment value (AV) was the primary dependent variable.

South King County area sales were analyzed and it was observed that properties were increasing at an average rate of approximately 6% per year. A Multiple regression equation was then formulated based on sales and property characteristic data found in the Assessor's records. Using regression analysis, we specify property characteristics, such as age, neighborhood, size, and number of bedrooms, and applied an adjustment value to those characteristics that were found to have a profound affect on market value. The regression model, when applied, supports the overall average market increase. Therefore, the model was used to value all condominium properties in this area. A list of all sales and property characteristics used in the analysis is available upon request.

Model specification

The *regression model* for neighborhoods **240**, **245**, **250**, **255**, **260**, **270**, **275**, **280**, **305**, **315** and **325** includes the following data characteristics:

- 1. Assessed Value per Square Foot
- 2. Living Area
- 3. Apartment Conversions
- 4. Number of Units
- 5. Age
- 6. Project Location
- 7. Neighborhoods 280, 260, 315 and 240.
- 8. Certain Projects identified by major number.

The *regression model* for neighborhoods **265**, **285**, **290**, **295**, **300**, **310** and **320** includes the following data characteristics:

- 1. Assessed Value per Square Foot
- 2. Living Area
- 3. Effective Age
- 4. Neighborhoods 285,290,310 and 320
- 5. Certain Projects identified by major number.

The definitions of data characteristics included in the model are in the Condominium Coding manual, which is available upon request.

Model calibration

The *regression model* for neighborhood **240**, **245**, **250**, **255**, **260**, **270**, **275**, **280**, **305**, **315 and 325** was calibrated using selling prices and property characteristics as follows:

*EMV= Exponential of the sum of the following coefficients x 10000:

-1.617779+ .8484511*AVSQFT+ .9654799*SQFT-8.509429E-03*CVERTED+ 1.146752E-02*RUNIT-1.261612E-02*RCAGE+ 5.100715E-02*PROJLOC+ 5.636223E-03*AREA280+ 1.950321E-02*AREA260+ 2.180085E-02*AREA315+ 2.202164E-02*AREA240-2.335706E-02*PLAT1+ .029454*PLAT2

The resulting total value is rounded down to the next \$1,000.

The *regression model* for neighborhoods, **285**, **290**, **295**, **300**, **310** and **320** was calibrated using selling prices and property characteristics as follows:

*EMV= Exponential of the sum of the following coefficients x 10000:

-1.564736+ .8310081*AVSQFT+ .939227*SQFT+ 6.730685E-03*RCEFFAGE-1.512562E-02*AREA285-1.017913E-02*AREA290-7.590523E-03*AREA310-2.460906E-03*AREA320-2.168025E-02*PLAT1+ .0278351*PLAT2

The resulting total value is rounded down to the next \$1,000.

*EMV stands for Estimated Market Value and represents the modeled value for the 2003 assessment year.

Model validation

Detailed regression statistics validating the model are shown in the ratio reports in the addendum of the South King County area report.

Craig Johnson reviewed the projected values for accuracy and correctness.

Reconciliation and Conclusion.

Ratio study

A ratio study was completed to evaluate the results of our revalue efforts. This study shows the mean-weighted ratio of previous assessed value to selling price. Ratio reports are included in the addenda of this report.

Addenda

Regression Model Statistics

&

Specialty Area Maps

Annual Update Ratio Study Report (Before)

2002 Assessments

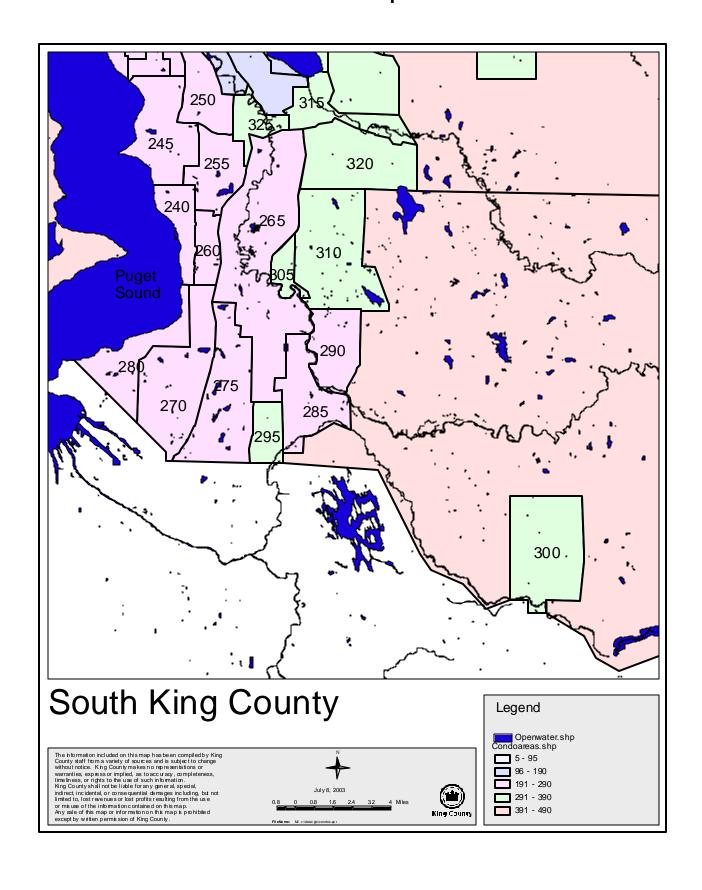
District/Team:	Lien Date:	Date of Report: Sales Dates:
Commercial-West	01/01/2002	7/8/2003 1/2001-1/2003
Area	Analyst ID:	Property Type: Adjusted for time?:
South King County	СЈОН	Residential Condominiums No
SAMPLE STATISTICS		
Sample size (n)	2898	Ratio Frequency
Mean Assessed Value	132,100	1800 7
Mean Sales Price	139,200	
Standard Deviation AV	52,991	1600 -
Standard Deviation SP	53,309	1400 -
		> 1200 -
ASSESSMENT LEVEL		
Arithmetic Mean Ratio	0.943	1000 - 10
Median Ratio	0.948	800 -
Weighted Mean Ratio	0.949	<u> </u>
		I IIIIa
UNIFORMITY		400 -
Lowest ratio	0.712	200 -
Highest ratio:	1.157	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Coefficient of Dispersion	5.18%	
Standard Deviation	0.061	\$ % \$ % \$ % \$
Coefficient of Variation	6.46%	Ratio
Price Related Differential (PRD)	0.994	
RELIABILITY		COMMENTS:
95% Confidence: Median		
Lower limit	0.945	Residential Condominiums throughout areas 240,
Upper limit	0.951	_
95% Confidence: Mean		245, 250, 255, 260, 265, 270, 275, 280, 285, 290,
Lower limit	0.941	295, 300, 305, 310, 315, 320 and 325
Upper limit	0.946	
SAMPLE SIZE EVALUATION		
N (population size)	13928	
B (acceptable error - in decimal)	0.05	
S (estimated from this sample)	0.061	
Recommended minimum:	6	
Actual sample size:	2898	
Conclusion:	OK	
NORMALITY		
Binomial Test		
# ratios below mean:	1376	
# ratios above mean:	1522	
z:	2.712	
Conclusion:	Non-normal	

Annual Update Ratio Study Report (After)

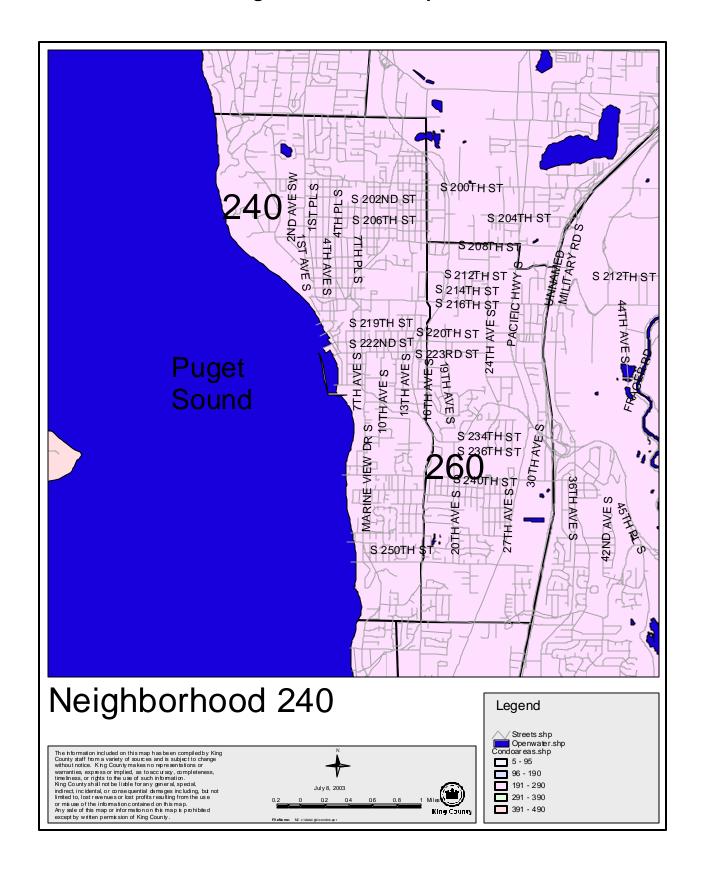
2003 Assessments

District/Team:	Lien Date:	Date of Report:	Sales Dates:	
Commercial-West	01/01/2003	7/8/2003	1/2001-1/2003	
Area	Analyst ID:	Property Type:	Adjusted for time?:	
South King County	CJOH	Condominiums	No	
SAMPLE STATISTICS				
Sample size (n)	2898	Ratio Frequency		
Mean Assessed Value	139,200	1600 7		
Mean Sales Price	139,200	1000		
Standard Deviation AV	52,263	1400 -	—	
Standard Deviation SP	53,309	1200 -		
ASSESSMENT LEVEL		1000 - 800 - 800 - 600 -		
Arithmetic Mean Ratio	1.003	8 00 -		
Median Ratio	1.001	97C	346	
Weighted Mean Ratio	1.000	F 600 -	-	
		400 -		
UNIFORMITY				
Lowest ratio	0.768	200 -	0	
Highest ratio:	1.230	0 1010101010101	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	
Coefficient of Dispersion	4.29%	CD CB CD CD	79 79 78 78	
Standard Deviation	0.054	\$ \$ \$ \$ \$	9 V V V	
Coefficient of Variation	5.40%	Ratio		
Price Related Differential (PRD)	1.003			
RELIABILITY	C	OMMENTS:		
95% Confidence: Median				
Lower limit	0.999	Posidontial Condominiums throu	shout orong 240, 245	
Upper limit	1.00411	Residential Condominiums throu	•	
95% Confidence: Mean		250, 255, 260, 265, 270, 275, 28	30, 285, 290, 295, 300,	
Lower limit	1.001	305, 310, 315, 320 and 325		
Upper limit	1.004			
SAMPLE SIZE EVALUATION		Both assessment level and unifo	•	
N (population size)	13928	mproved by application of the re	commended values.	
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.054			
Recommended minimum:	5			
Actual sample size:	2898			
Conclusion:	OK			
NORMALITY	UI C			
Binomial Test				
# ratios below mean:	1472			
# ratios above mean:	1426			
T:	0.854			
Conclusion:	Normal*			
*i.e. no evidence of non-normality	. TOI III III			
no. no evidence of non-normality				

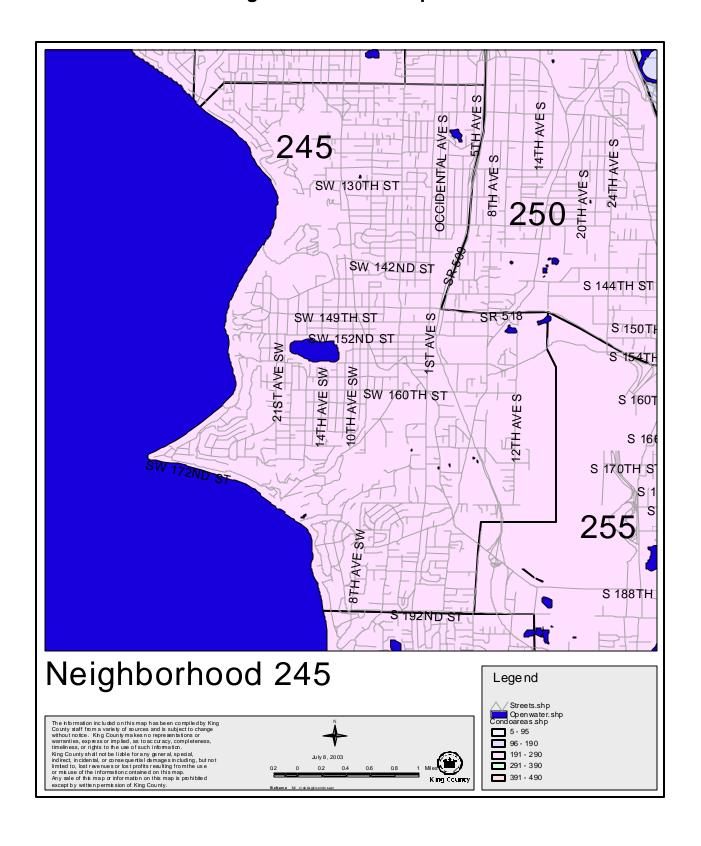
Overview Map



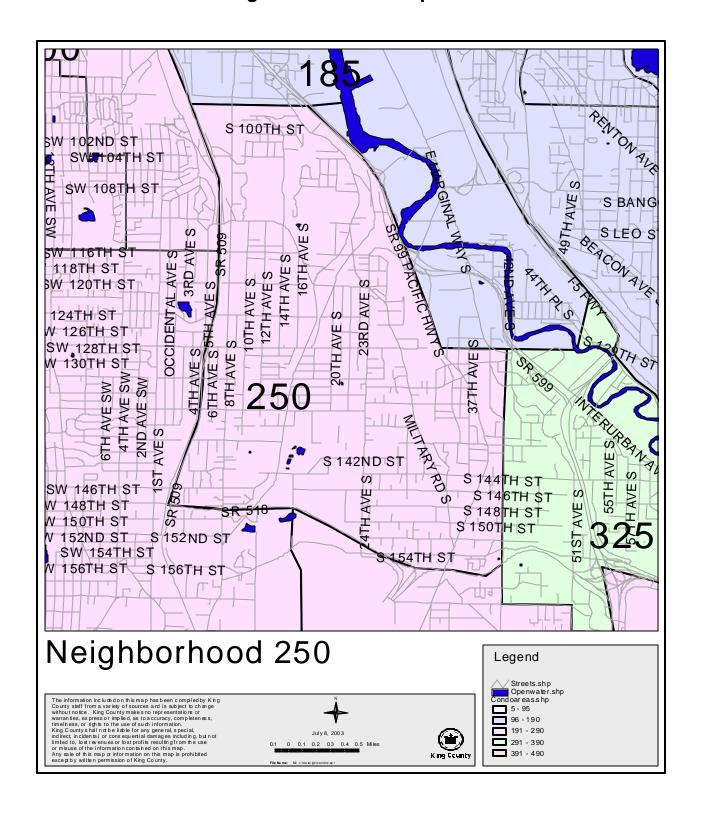
Neighborhood 240 Map



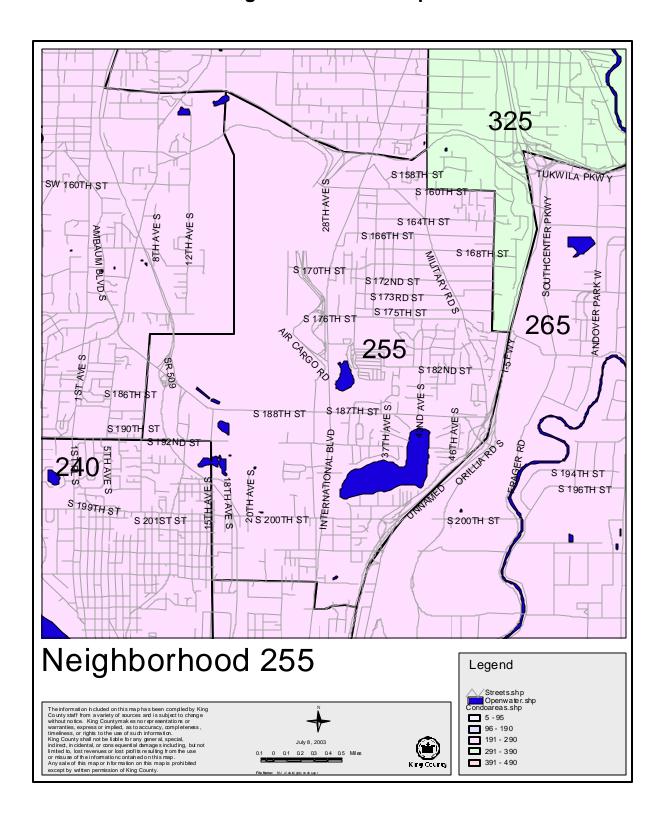
Neighborhood 245 Map



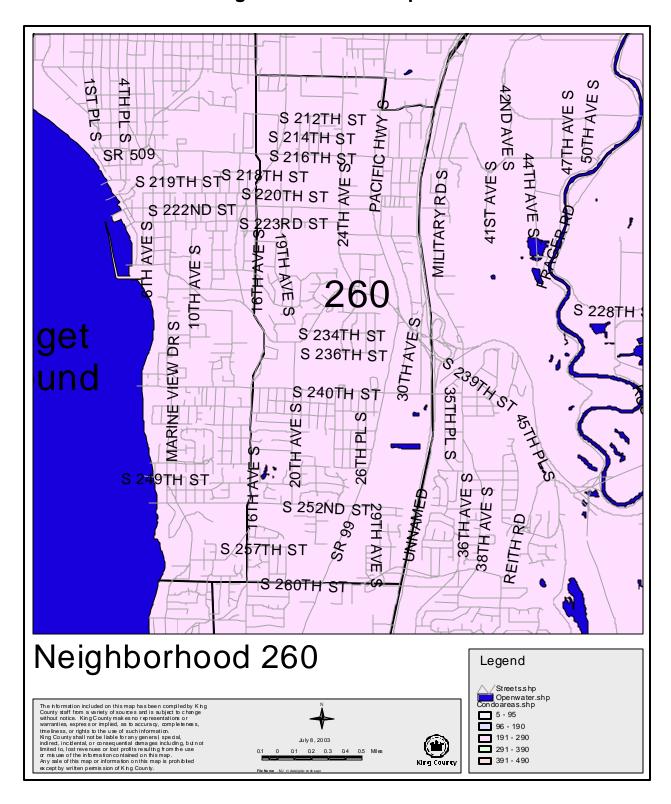
Neighborhood 250 Map



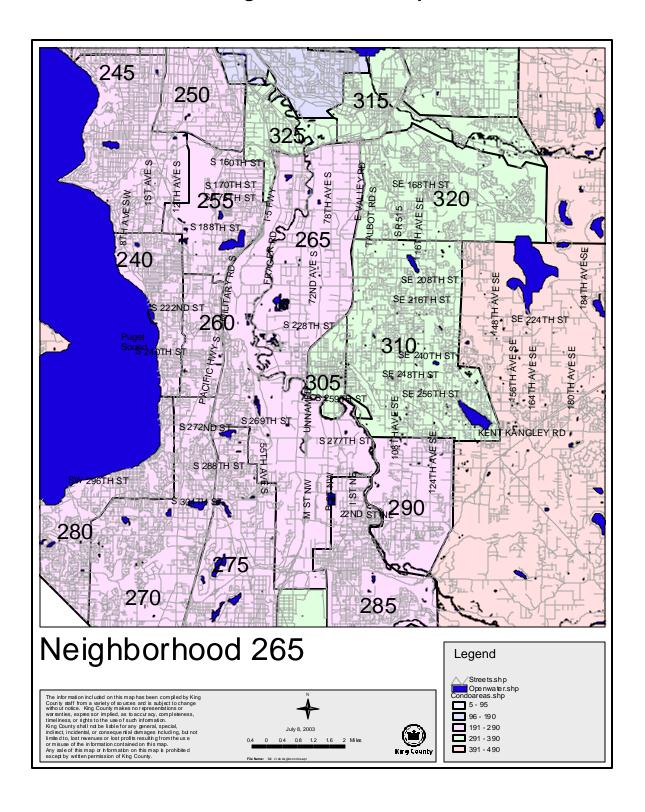
Neighborhood 255 Map



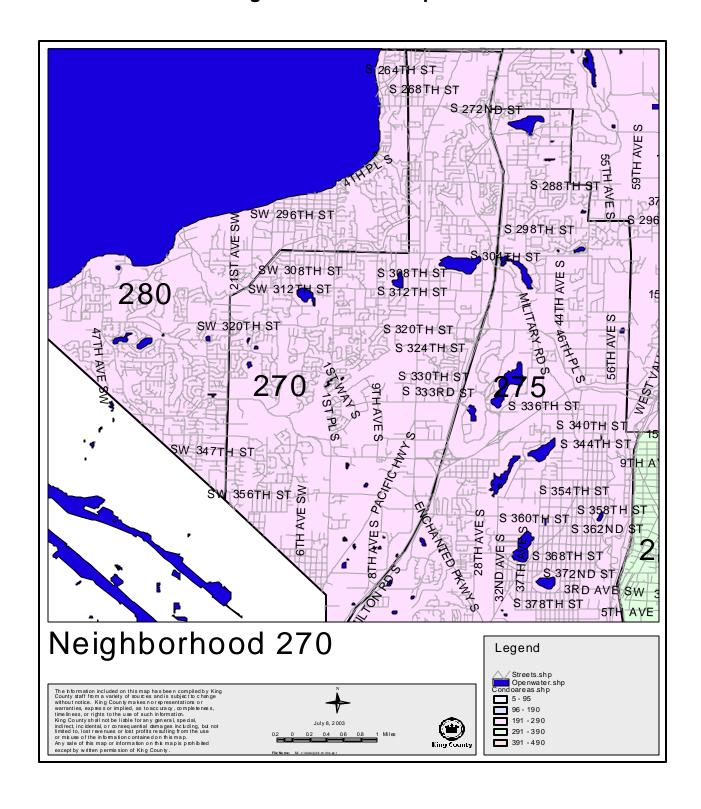
Neighborhood 260 Map



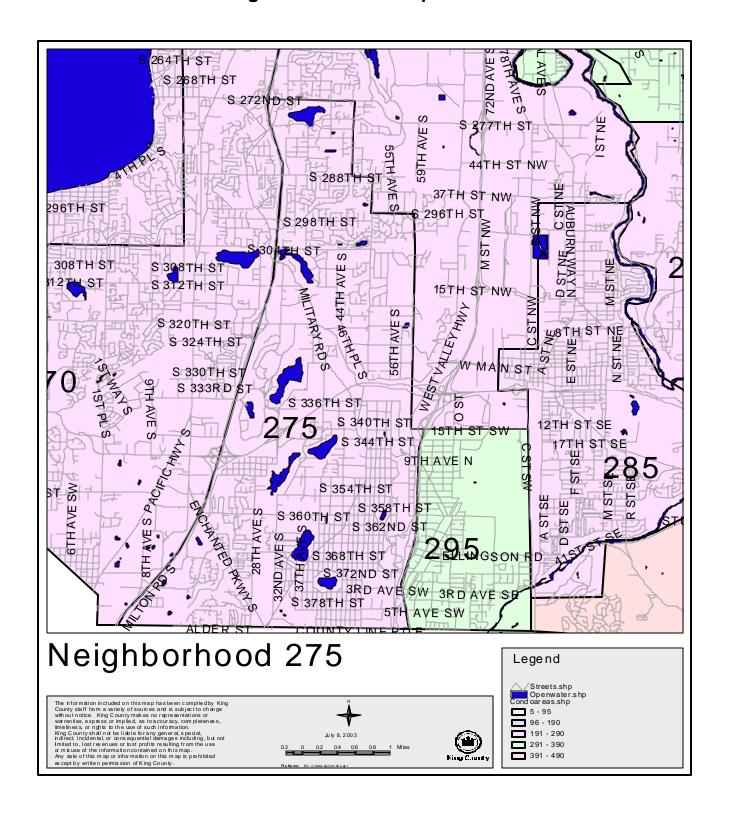
Neighborhood 265 Map



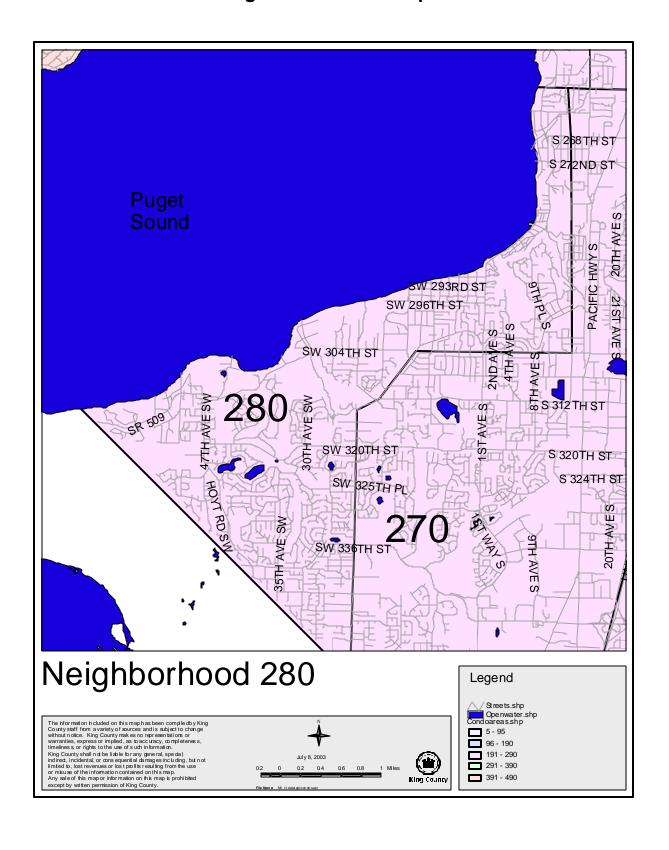
Neighborhood 270 Map



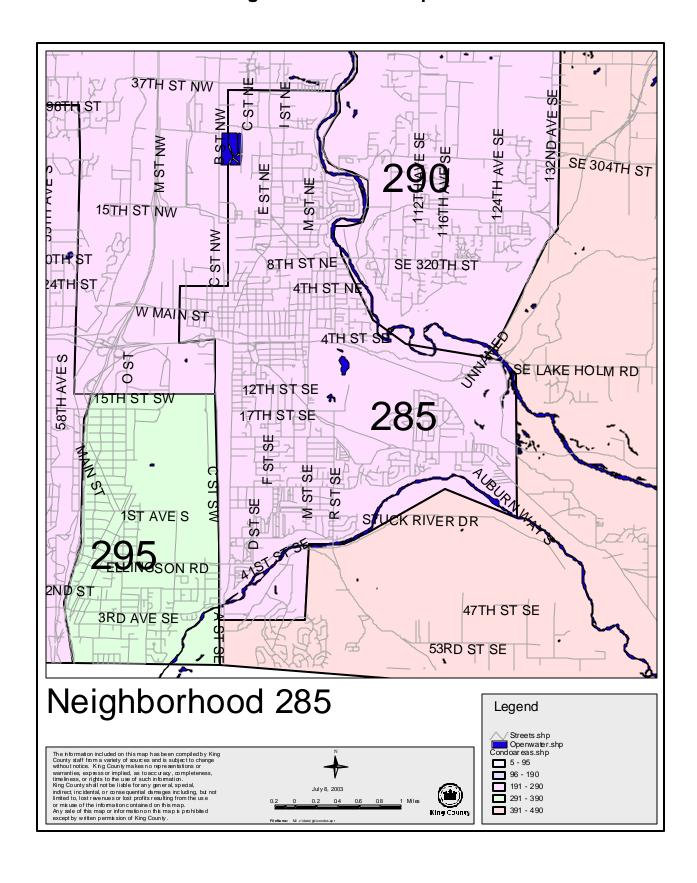
Neighborhood 275 Map



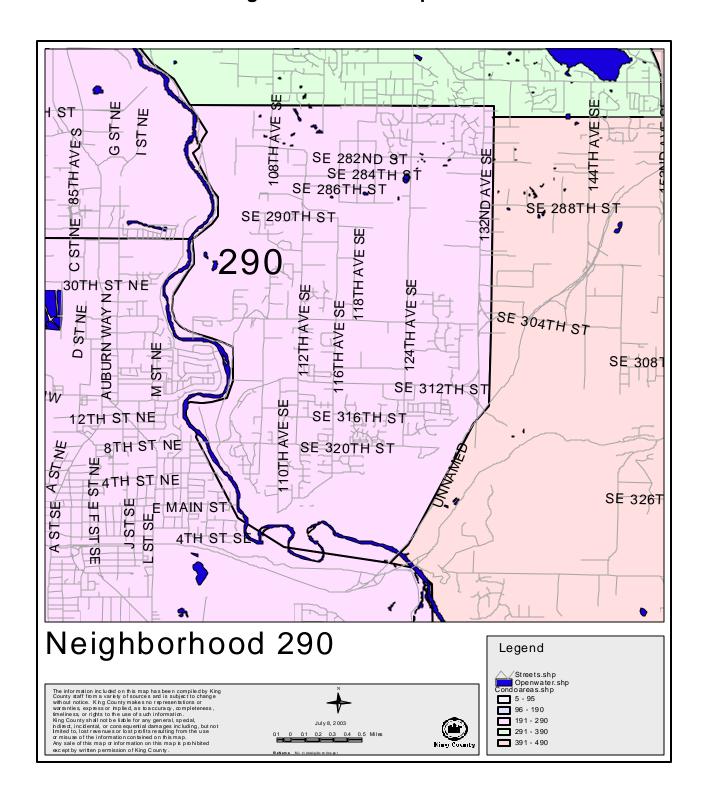
Neighborhood 280 Map



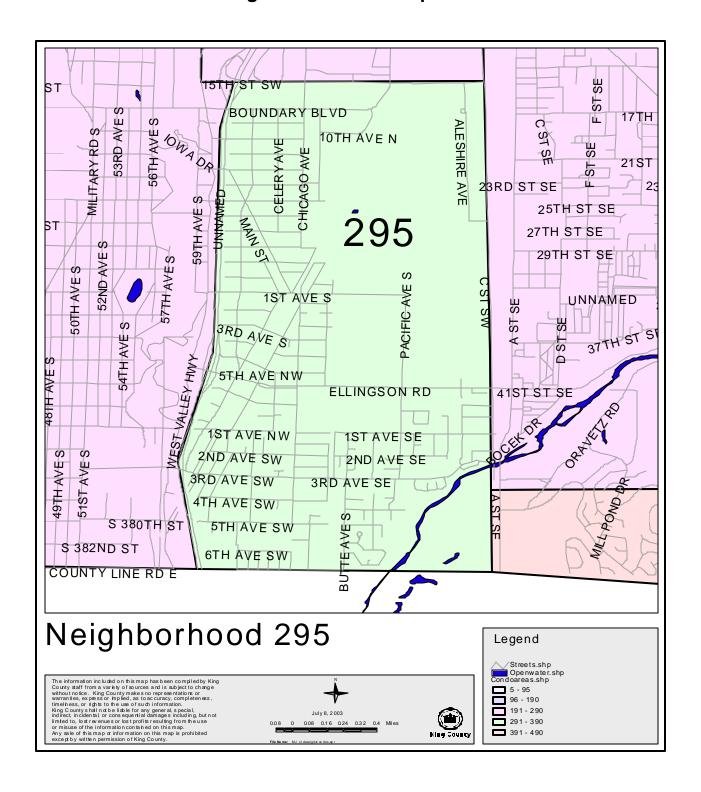
Neighborhood 285 Map



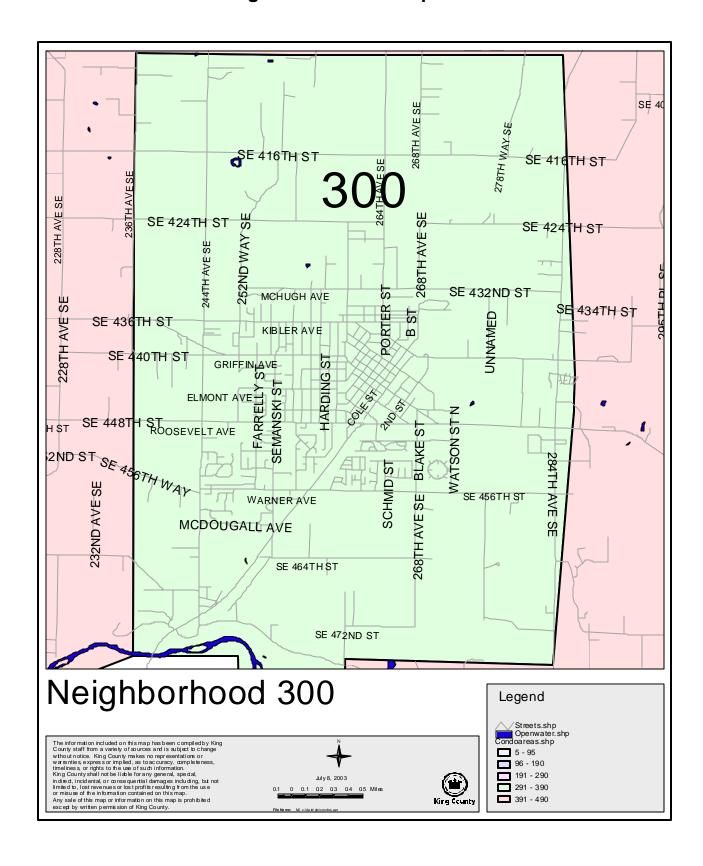
Neighborhood 290 Map



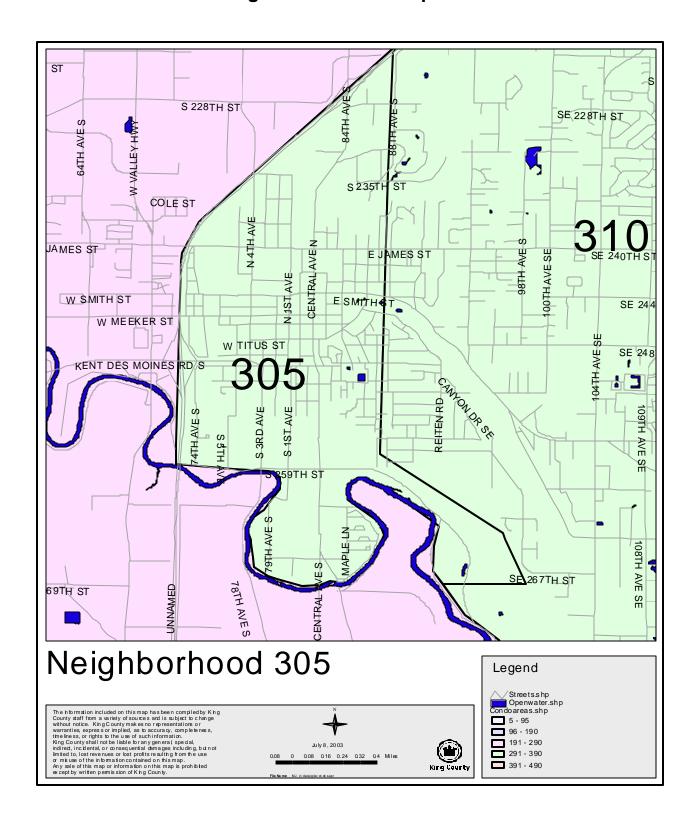
Neighborhood 295 Map



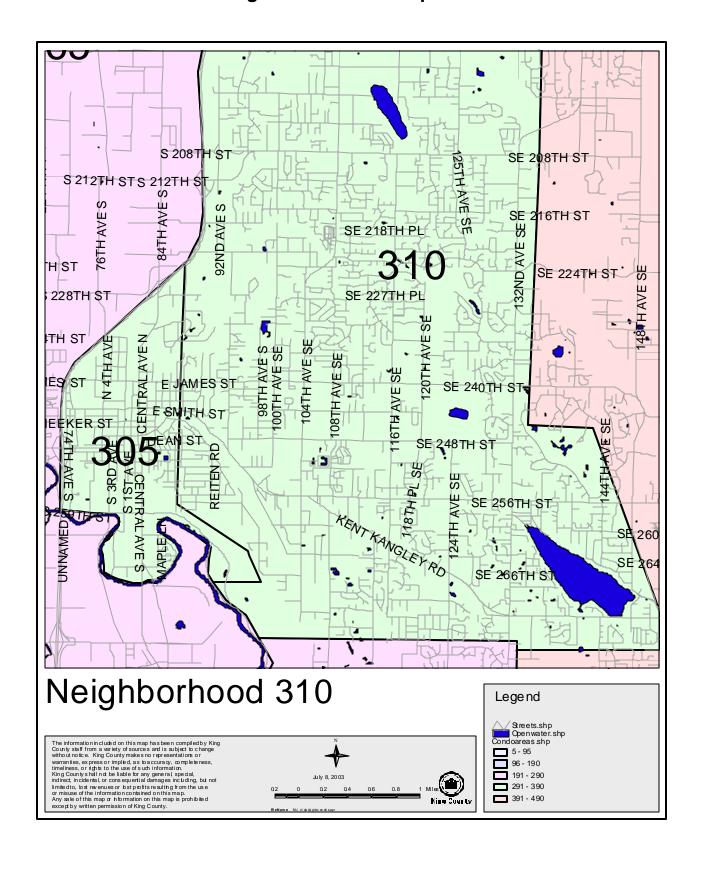
Neighborhood 300 Map



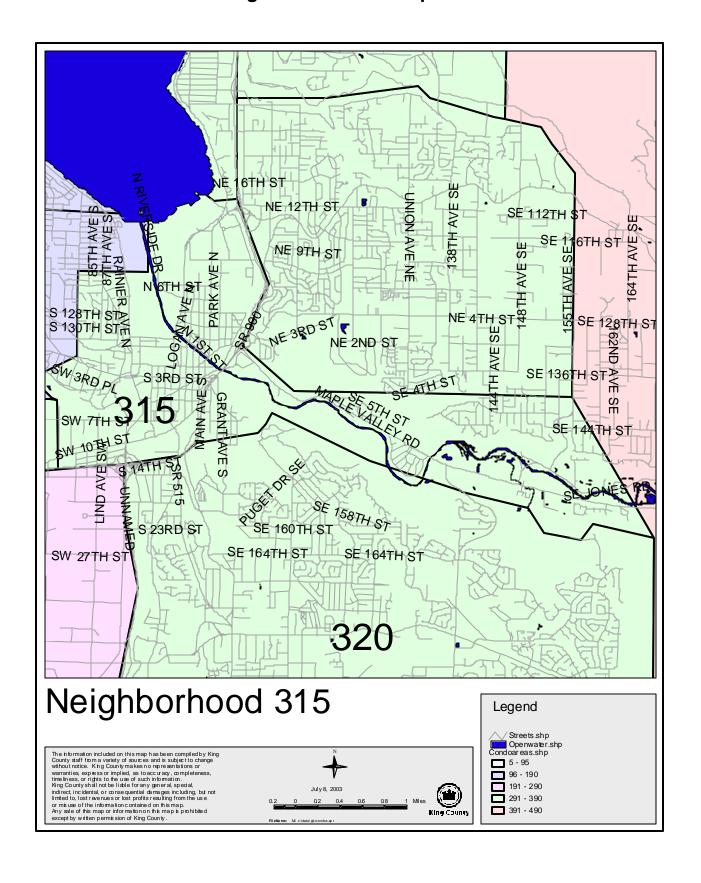
Neighborhood 305 Map



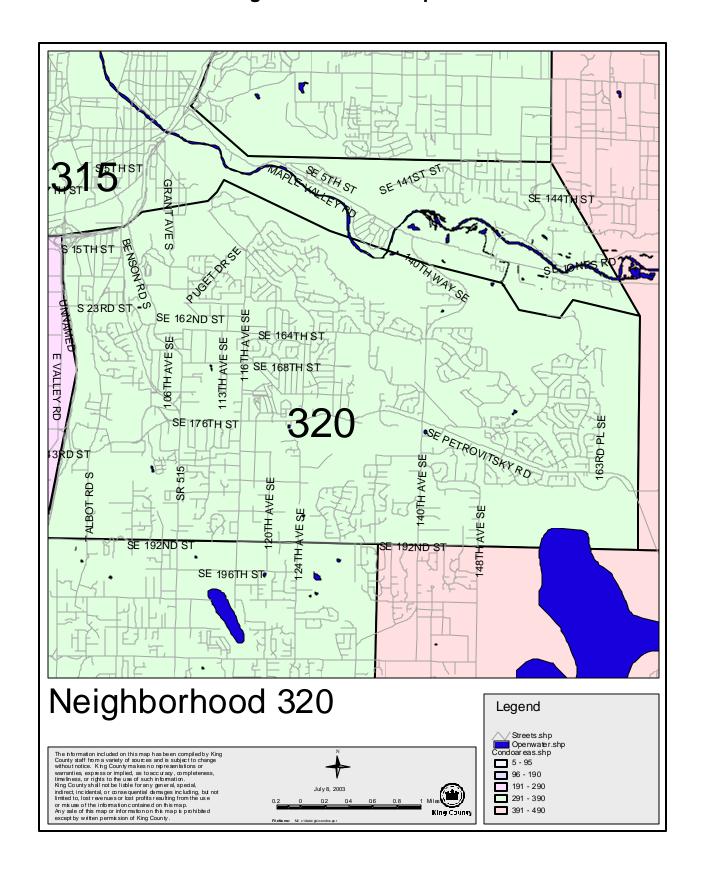
Neighborhood 310 Map



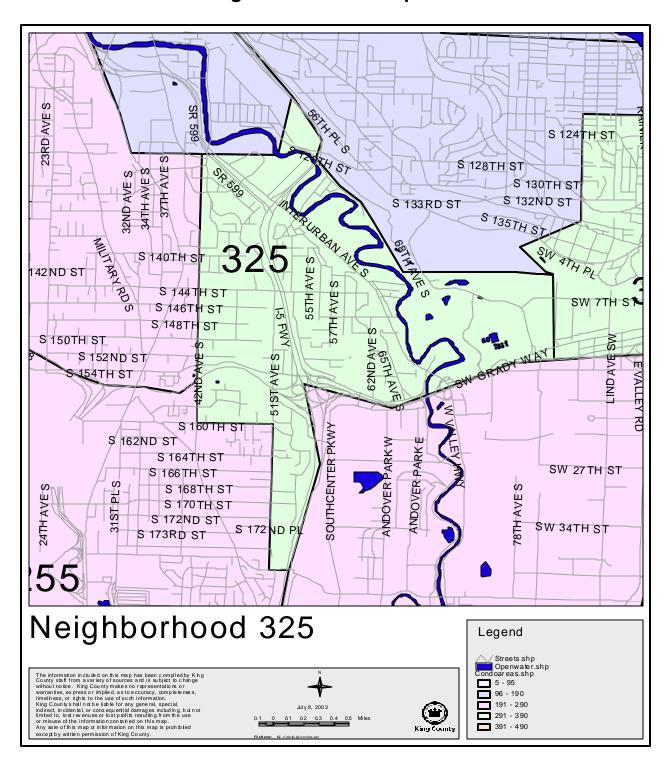
Neighborhood 315 Map



Neighborhood 320 Map



Neighborhood 325 Map



Condominium Annual Update Exceptions List

Neighborhood	Major	#I Inite	Adjustment Value
280	661320		EMV*.90
315	008200		EMV*.75
115	260786		EMV*.85
113	802940		EMV*.90
125	390250		EMV .90
130	785430		EMV*.90
145	683790		EMV*1.2
143	872698		EMV*.95
155	660740		EMV*.80
90	372980		EMV*.70
	378010		EMV*.80
05	614530		EMV*.85
65	551210		EMV*.80
70	924550		EMV*.75
210	780434		EMV*.85
225	204120		EMV*.90
475	948579		EMV*.85
370	104920	8	
	152810	3	
	253898	10	
	264750	12	
	310980	7	EMV*1.15
	311055	9	
	311060	28	
	311076	9	
	329858		EMV*1.15
	381095	11	
	514880	22	
	567730	6	
	678000	9	
	683820	6	
	683830	22	EMV*1.15
	794203		EMV*.85
	812850		
455	156194		EMV*.90
	559190		EMV*.90
380	59050		If Lake View=Excellent then EMV *1.5 otherwise, EMV*1.05
	742190		EMV*1.10
385	734540	15	EMV*.90
390	28100	30	EMV*.90
	150790	39	EMV*.90
400	233500	24	EMV*.90
	803555	9	EMV*.85
350	192800	94	EMV*.90
	349650	70	EMV*.90
	716800	15	EMV*.90
	868205	80	EMV*.95
430	25105	20	EMV*.90
	25330	20	EMV*.90
	856276	93	EMV*.90

Condominium Annual Update Exceptions List

Neighborhood	Major	#Units	Adjustment Value
35	120260	10	EMV*.80
	170310	6	EMV*.80
	257210	16	EMV*.90
	600500	11	EMV x 1.40
	659995	50	EMV*1.20
	676390	15	EMV*.80
	743980	9	EMV x .90
	880965	4	EMV*.90
360	756990	6	EMV x .90
	933370	24	EMV*1.15
40	501550	46	EMV x .90
	678090	28	EMV x .90